

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN
AT LAW AND IN ADMIRALTY

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 22-CV-989

APPROXIMATELY 32,133.63 TETHER (USDT)
CRYPTOCURRENCY FROM BINANCE
ACCOUNT NUMBER ENDING IN 8770,

Defendant.

SECOND MOTION FOR DEFAULT JUDGMENT

The Plaintiff, the United States of America, by the undersigned Assistant United States Attorney, moves this Court pursuant to Rule 55 of the Federal Rules of Civil Procedure for default judgment of forfeiture against the *in rem* defendant.

In support of this motion, the United States asserts the following:

1. On August 29, 2022, the United States filed a Verified Complaint for Civil Forfeiture *in rem*. (R. 1). The Complaint alleges that the defendant property, approximately 32,133.63 Tether (USDT) cryptocurrency from Binance account number ending in 8770 (“Defendant Property”), is subject to forfeiture to the United States of America under 18 U.S.C. §§ 981(a)(1)(C) and 984, because it constitutes or was derived from proceeds traceable to an offense constituting “specified unlawful activity” – as defined in 18 U.S.C. § 1956(c)(7), with reference to 18 U.S.C. § 1961(1) – namely, wire fraud, committed in violation of 18 U.S.C. § 1343. The Complaint further alleges that the Defendant Property is also subject to forfeiture to the United States of America under 18 U.S.C. § 981(a)(1)(A) because it was involved in, or is traceable to funds involved in, money laundering transactions in violation of 18 U.S.C. §§ 1956 and 1957.

2. On or about August 29, 2022, the United States Secret Service seized the Defendant Property pursuant to a Warrant of Arrest In Rem issued on August 29, 2022. (R. 7). The Defendant Property was originally seized on or about June 23, 2022, from Binance account number ending in 8770, held in the name of Koriya Aveshbhai Hanifbhai, in San Francisco, California, pursuant to seizure warrant 22-MJ-115 issued by United States Magistrate Judge William E. Duffin in the Eastern District of Wisconsin.

3. Pursuant to Rule G(4)(a)(iv)(C) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, and United States District Court for the Eastern District of Wisconsin Civil Local Rule 101, notice of this civil forfeiture action was posted on an official government internet site for at least 30 consecutive days beginning on August 30, 2022. (R. 8).

4. On August 29, 2022, the United States filed a Notice of the Complaint for Civil Forfeiture of Property and served it, along with a copy of the Verified Complaint for Civil Forfeiture and the Verification (collectively the “notice documents”), upon potential claimant, Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, via his email address. (R. 5). That email address was identified from a June 6, 2022 email message sent from “parth gadhavi,” who purported to be the owner of the Binance account from which the defendant property was seized (Binance account number ending in 8770), to the Hartford Police Department inquiring as to why his Binance account had been frozen.

5. The automated delivery tracking notification receipt as to the August 29 notice documents emailed to Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, reflects that the message was successfully delivered to the email address on August 29, 2022.

6. On September 1, 2022, the United States filed a Notice of the Complaint for Civil Forfeiture of Property and served it, along with a copy of the Verified Complaint for Civil

Forfeiture and the Verification, upon potential claimant Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, at the address in India noted on Binance's KYC¹ documents for the account holder of Binance account number ending in 8770. (R. 6).

7. The Federal Express tracking report as to the September 1 notice documents sent to Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, in India reflects that the package was delivered, accepted, and signed for by "O.R. Koriya Aveshbhai Hanfb" on September 8, 2022.

8. The notice documents served on the potential claimant informed him that interested parties must file a claim to the Defendant Property within 35 days of the date of the notice of the complaint and an answer within 21 days after filing the claim.

9. The 35-day time limit for Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, to file a claim expired on October 6, 2022.

10. On October 18, 2022, the United States filed a letter advising the Court that no claims had been filed in this action and that the time limit for Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, to file a claim had expired. (R. 9). The United States' letter further advised the Court that if a valid claim was not filed on or before November 21, 2022, the United States intended to file a motion for a default judgment.

11. The United States sent copies of its October 18, 2022 letter by email and Federal Express to Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi. Federal Express reportedly made attempts to deliver the package to the same address in India but was unsuccessful. However, the automated delivery tracking notification receipt as to the October 18 letter emailed to Koriya

¹ KYC stands for "Know Your Customer." KYC is a set of documents which are required to establish the identity of a person at the time of opening a financial account. Generally, an identity proof with photograph and an address proof (e.g., passport, driver's license, government-issued photo ID, etc.) are the two basic mandatory KYC documents that are required.

Aveshbhai Hanifbhai, c/o Parth Gadhavi, reflects that the message was successfully delivered to the same email address on October 18, 2022.

12. On December 15, 2022 – after no verified claims had been filed in this matter and the time for filing a claim had passed – the United States filed a motion for default judgment. (R. 12).

13. On December 16, 2022, the Clerk entered default.

14. On January 30, 2023, the Court denied without prejudice the United States' motion for default judgment and ordered the United States to file an amended complaint supporting judgment in the amount of the Defendant Property, approximately 32,133.63 Tether (USDT) cryptocurrency from Binance account number ending in 8770. (R. 14).

15. On March 24, 2023, the United States filed a Verified Amended Complaint for Civil Forfeiture *in rem* (R. 17) and a Memorandum Regarding Civil Forfeiture *in rem* (R. 18). The Memorandum set forth the United States' analysis that the Defendant Property constitutes wire fraud proceeds and was involved in money laundering transactions and therefore is subject to forfeiture to the United States.

16. On March 28, 2023, the United States filed Notices of Amended Complaint for Civil Forfeiture of Property and served them, along with a copy of the Verified Amended Complaint for Civil Forfeiture and the Verification, upon potential claimant Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, at his email address (R. 19) and at his address in India (R. 20).

17. The automated delivery tracking notification receipt as to the March 28 notice documents emailed to Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, reflects that the message was successfully delivered to the email address on March 28, 2023. The Federal Express tracking report as to the March 28 notice documents sent to Koriya Aveshbhai Hanifbhai, c/o Parth

Gadhavi, in India reflects that the package was delivered, accepted, and signed for by “P.ARTH GADHAVI III KORIYA” on April 3, 2023.

18. The notice documents served on the potential claimant informed him that interested parties must file a claim to the Defendant Property within 35 days of the date of the notice of the amended complaint and an answer within 21 days after filing the claim.

19. The 35-day time limit for Koriya Aveshbhai Hanifbhai, c/o Parth Gadhavi, to file a claim expired on May 2, 2023.

20. As of this date, no verified claims or answers, as required by Rule G(5) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, and Rule 12(a) of the Federal Rules of Civil Procedure, have been filed in this matter. The time for filing a verified claim and answer has now passed.

21. An application to the Clerk for Entry of Default has been filed simultaneously with this motion.

Based on the foregoing, the United States moves this Court for an Order of Default Judgment under Rule 55 of the Federal Rules of Civil Procedure.

Dated at Milwaukee, Wisconsin, this 4th day of May, 2023.

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